DMSO Conspiracy Trial Ends With a Hung Jury

By Eugene L. Meyer
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A federal judge declared a mistrial today when a jury was unable to reach a verdict after 11 hours of deliberation about whether corruption and conspiracy was involved between a U.S. Food and Drug Administration doctor and a leading advocate of dimethyl sulfoxide (DMSO) who lent the FDA official $36,500.

James Rothschild, one of two prosecutors in the case, declined to say whether the government plans to retry the men.

One of the defendants, Dr. Stanley Jacob, an associate professor at Oregon Health Sciences University in Portland, expressed disappointment that "we did not get a complete vindication."

The mistrial came after eight days of testimony that featured Sen. Mark Hatfield (R-Ore.) and the dean of Yale University law school, among others, as character witnesses, respectively, for Jacob, 57, and Dr. K.C. Pani, 63, the suspended FDA official, who lives in Bethesda.

Jacob has been the leading proponent for two decades of DMSO, a solvent used by industry as a degreaser and by veterinarians as an animal liniment. The Portland physician has published a book and appeared on "Sixty Minutes" to promote DMSO as a treatment for a variety of ailments, including arthritis, muscular and nerve problems and even paralysis.

Although the FDA has approved the use of DMSO only for a rare bladder disease, the drug is widely marketed with a medical disclaimer and has been used by Olympic athletes, New York City opera stars and former Alabama Gov. George Wallace.

Between 1974 and 1979, the evidence showed, Jacob gave checks totaling $36,500 to Pani, and in November 1978 they went to Pani's native India, the home of Sai Baba, a spiritual leader who sponsors colleges, hospitals and orphanages that both men supported.

The defendants testified the money Pani received was a loan, $15,000 of which was repaid by Pani in the form of contributions to Sai Baba charities. The rest, both men said, was to help defray medical bills incurred by Pani's wife, who died in 1977.

Assistant U.S. Attorney Richard Dunn charged that the money changed hands not out of any altruistic motive but because, after being rebuffed for years by the FDA, Jacob "wanted to buy a friend" at the agency and "Pani was willing to be bought."

Defense lawyers downplayed Pani's importance at the agency and noted that, in one instance, he had recommended against the use of DMSO for four specific ailments.

Accepting the funds, Pani's lawyer acknowledged, had been a "mistake . . . a human error," worthy, perhaps, of administrative action by the FDA but not a crime. In February, the agency suspended Pani without pay from his $50,000 a year post.

The prosecutors disputed the amount of money the defendants said went to Sai Baba activities and questioned whether the $20,000 loan was wholly for medical bills. They noted, for example, that Pani spent $1,300 at an expensive Washington haberdashery after his wife died when, he had testified, he was barely scraping by.

The loan went unpaid, prosecutors pointed out, until after FDA officials began questioning the men about their relationship during interviews in which each made statements they later changed.

Among those attending the trial were DMSO adherents from as far away as Michigan and Washington state, as well as Bill Hall, a DMSO distributor for the Washington, D.C., area, who brought along his sample case.